

REMARKS

Preliminarily, Applicant appreciates the clarification in the first paragraph of the May 25, 2007 Official Action of the status of the claims and the prior art rejection set out in the November 30, 2006 Official Action. It is noted, however, that (just as was the case in the November 30, 2006 Action) the May 25, 2007 Action does not affirmatively reject any claims under 35 U.S.C. 101 as being directed to non-statutory subject matter. Nevertheless, Applicant will proceed in this Response as if all of claims 1-32 were rejected under §101 and Applicant respectfully traverses both the rejections of claims 1-32 under §101 and the rejection of claims 1-32 under §103. In accordance with the requirements of 37 C.F.R. §§1.111(b) and 1.119, Applicant submits the following comments to distinctly and specifically point out the unsupported nature of these rejections.

First with regard to the §101 rejection, each of the independent claims has been amended to recite subject matter that meets the “useful, concrete and tangible result” standard set out in the Interim Guidelines (November 22, 2005 Official Gazette). Specifically, claims 1, 7, and 25 are each directed to a method that is specific, substantial, and credible (MPEP §2107) in that each claim recites a method that is useful. The method recited in each of these independent claims is repeatable and therefore provides a concrete result. Most relevant, the methods recited in amended claims 1, 7, and 25 go beyond mere determining and/or calculating; each method claim has been amended to recite that the index calculated in accordance with the method is output to an individual for managing, analyzing, or measuring a pool of capital assets. In other words, the claimed method does not (to use an example set out in the Interim Guidelines) just “merely” determine or calculate a price; instead, the claimed method calculates a price (in the case of the present invention, an index is calculated rather than a price) and then conveys that calculated price (index) to a potential customer (in the case of the present invention, the index is output to an individual for use by that individual in managing, analyzing, or measuring a pool of capital assets). Support for this amendment is set out at several places in the specification of the captioned application. For instance, at page 3, lines 1-5 of the specification, it is stated that the present invention provides

“an index for use by various institutions. Commodity exchanges can utilize the index to create commodities futures contracts. Pension plans and mutual funds can create investment portfolios. Insurance companies and banks can use the index as an asset portfolio measurement tool and an efficient allocation system.”

Similarly, at page 21, lines 1-7, the specification states that

“one or more additional computers operated by users in remote locations are used to access the Index as it is continually calculated by the computer having the program encoded thereon for measuring the performance of a portfolio that is managed by the remote user in the manner described above in connection with

Fig. 19. Such access is accomplished, for instance, over a global communications network (the "Internet"), by dedicated line, or by other electronic communication methods known in the art."

This disclosure from the specification has been incorporated into the language of the claims by reciting in the claims that the index is "output" to an individual (where "individual" is regarded as an all-inclusive term referring to the operator(s) of the additional computer(s) (see page 21, line 1 of the specification), as well as an insurance company, bank, commodity exchange, pension fund, mutual fund, etc. (referred to at page 3, lines 1-5 of the specification), all of which are run, or managed, by individuals) for use in managing, analyzing, and/or measuring a pool of assets. Reconsideration and withdrawal of the §101 rejection in light of these amendments to claims 1, 7, and 25 is respectfully requested.

The §103 rejection of claims 1-27 over Reilly, F.K., "Investment Analysis and Portfolio Management" 3rd Ed., the Dryden Press, Copyright 1989, pp. 165-170, is again traversed for failure to establish a *prima facie* showing of the obviousness of the differences between the claimed invention and Reilly. As set out in Applicant's **Response to Official Action of April 21, 2006** and Applicant's **Response to Official Action of November 30, 2006**, there are several differences between Reilly and the claimed invention, and the remarks identifying those differences are re-urged here as if fully set forth in this Response.

In spite of the previously-identified differences between Reilly and the claimed invention, the Official Action of May 25, 2007 states that "Reilly anticipates the inventive concept of the applicant's invention by providing a comprehensive list of combined market sector indexes" including the *Salomon Brothers International Bond and Money Market and Performance Indexes* and the *Merrill Lynch-Willshire Capital Market Index* and also that these indexes are "market-value weighted" (see the carry-over paragraph on pages 3-4 of the Action). It was also alleged that because Reilly teaches the importance of diversity by suggesting that "countries have developed composite series which reflect the performance of all securities, . . . world capital markets are becoming integrated -- leading to world capital indexes [citation to Reilly omitted]," it would have been obvious

"to integrate the stock index of Merrill Lynch into the Solomon Brother's index and/or the money market index of Salomon Brothers into Merrill Lynch because one of ordinary skill in the art would have been familiar with the notoriously old and well known concept of 'diversification' and thus have recognized the importance of diversification to provide a more integrated and comprehensive measure of the performance of capital markets of a county and/or various other countries."

Assuming for the purposes of argument (and Applicant does not so admit) that all of these allegations set out in the Action are accurate and are accurate readings of Reilly, the Action still falls short of establishing a *prima facie* showing of the obviousness of claims 1 and 7 because

Reilly does not disclose the weighting of each of the stock, bond, and money market indexes with a weighting factor that represents the market value of each index. Applicant respectfully submits that both of claims 1 and 7 defined over Reilly as filed, but to clarify the manner in which those claims defined over Reilly, independent claims 1 and 7 have been amended to specifically recite that the weighting factor “represents the market value” of each of the indexes. Further, claim 25 recites that a market value of each of the stock, bond, and money market indexes is calculated for each country included in the “marketplace of countries” and that a multi-country summation is computed by summing the multiplication of each index, the market value, and the currency value of each country, thereby defining over Reilly (and note that Applicant did not amend claim 25 because that claim already defines over Reilly). Because Reilly does not disclose this step in Applicant’s claimed methods, it is apparent that the prior art does not teach or suggest all the claim limitations as required to establish a proper *prima facie* §103 rejection (and as noted above, Applicant noted other elements of each of those claims that were not disclosed in Reilly in prior responses filed in the captioned application). Reconsideration and withdrawal of the §103 rejection of claims 1, 7, and 25 is therefore requested.

A second required element of a proper *prima facie* showing of the obviousness of the differences between a claimed invention and the prior art is a suggestion or motivation, either in the references themselves or in the knowledge generally available to one of ordinary skill in the art to modify the reference(s) or to combine the teachings of the reference(s). Applicant previously noted that the only suggestion or motivation to combine or modify Reilly suggested by the Office appears to be the allegation that diversifying a portfolio is a normal business practice for mitigating risk. In an apparent concession to the validity of Applicant’s argument, the May 25, 2007 Action appears to respond to Applicant’s argument by alleging (about two-thirds of the way down page 4) that diversification provides “a more integrated and comprehensive measure of the performance of capital markets of a country and/or various other countries.” However, as a basis for this conclusion, the Action alleges that it would have been obvious to one of ordinary skill in the art to “integrate the *stock index* of Merrill Lynch into the Solomon Brother’s index and/or the *money market index* of Solomon Brothers into Merrill Lynch [italics in original]” (see the middle of page 4 of the Action). Even if it is appropriate to conclude that the art suggests combining stock and money market indexes (and Applicant does not so admit), the suggestion or motivation to combine or modify must be a suggestion to combine or modify to make the Applicant’s claimed invention, and Applicant’s invention is the provision of an index that accounts for “different types of financial market instruments” (quoting from line 20 of page 2 of the specification) by measuring (quoting from lines 23-24 of page 2) “the entire marketplace to account for capital being redirected between classes of assets” (where the phrase “classes of

“assets” refers to the equity, bond, and money market sectors of the marketplace). Consequently, even if the well known concept of diversification provides a motivation for combining the stock and money market indexes listed in Reilly, diversification does not suggest the complete and accurate characterization of the entire marketplace by inclusion of multiple classes of assets as recited in Applicant’s claims, and Applicant therefore respectfully traverses the allegation in the Action that diversification provides a motivation or suggestion to make Applicant’s claimed invention.

Note also that even if it is possible to stretch the allegation in the Action that diversification suggests Applicant’s invention, the Action does not indicate that there is any teaching in the art as to how to achieve that diversification. Applicant’s claims 8-16 and 28-29 are all directed to the manner in which Applicant’s methods are implemented, reciting specific components of the marketplace and how to combine them in ways that are not taught in the art (and indeed, no indication is given anywhere in the Action that the art suggests such specifics). It is therefore respectfully urged that at least claims 8-16 and 28-29, reciting the manner in which Applicant’s invention provides an accurate representation of the marketplace, are allowable, and that the §103 rejection of those claims should be reconsidered and withdrawn.

In Applicant’s prior Responses, Applicant also noted that MPEP §2143 requires that a reasonable expectation of success must be established to make out a proper *prima facie* rejection under §103. In spite of the fact that Applicant has previously drawn attention to this third element of a *prima facie* case of obviousness, Applicant is unable to find so much as an attempt to establish this third element of a proper *prima facie* obviousness rejection in the May 25, 2007 Action. Applicant therefore respectfully traverses the §103 rejection of claims 1-27 for this reason as well.

At the bottom of page 2, the May 25 Official Action states that the April 21, 2006 Action “provides reasoning for the rejection of” claims 28-32. However, claims 28-32 were not even pending in the application until Applicant added them on August 21, 2006. It is therefore impossible for the April 21, 2006 Action to set out reasons for rejecting claims 28-32. Applicant therefore traverses the rejection of claims 28-32 as clearly improper and Applicant requests reconsideration and withdrawal of that rejection. The discussion in the carryover sentence between pages 2 and 3 of the Action as to whether a prior art reference is in the field of an applicant’s endeavor and/or is reasonably pertinent to the problem with which an applicant is concerned is surely a proper summary of one of the lessons that can be learned from *In re Oetiker* (24 U.S.P.Q.2d 1443 (Fed. Cir. 1992)) (cited at the top of page 3 of the Action), but the relevance of that carryover sentence to the rejection of claims 28-32 is unclear, in part because Applicant never argued that Reilly was non-analogous prior art. One thing that is clear, however, is that the

allegation in the first full sentence of page 3 to the effect that Reilly “suggests that countries have developed composite series which reflect the performance of all securities and that the capital markets [sic]” is not supported by a careful reading of Reilly. Even if it was clear what was intended by the reference to a “composite series,” and even when the syntax of this allegation is overlooked, if one takes a step back from Reilly (as suggested in the top half of page 3 of the Action) and reflects on what the reference “teaches based upon the prior art as a whole,” there is no teaching in Reilly of an index that includes all of the equity, bond, and money market sectors of the marketplace as recited in each of the independent claims of the captioned application. Nor is there any teaching in Reilly (or what that reference teaches based upon the prior art as a whole) of how to achieve an accurate representation of the entire marketplace as set out in dependent claims 8-16 and 28-29.

Applicant has now attacked the *prima facie* showing of the obviousness of the claims of the present application three times, and instead of responding to Applicant’s arguments as to how the Office failed to establish a proper *prima facie* obviousness rejection, each successive Action, including the May 25, 2007 Action, simply refers back to the same allegations set out in earlier Actions and renews the same rejections over the Reilly reference. As noted in response to the previous Official Action, Applicant has played by the rules of patent examination; however, those same rules are not being followed by the Office with the result that a “stone wall” has been erected in this application against which Applicant is repeatedly smashing his head. Repeating these same rejections over and over again is expensive for the Applicant and results in substantial delay in the disposition of the captioned application (this application was filed in 1999 and has therefore been pending for almost eight full years!); in short, it is time to make some progress. Applicant previously noted that, as set out in the *Oetiker* decision that was cited in the May 25, 2007 Official Action, that

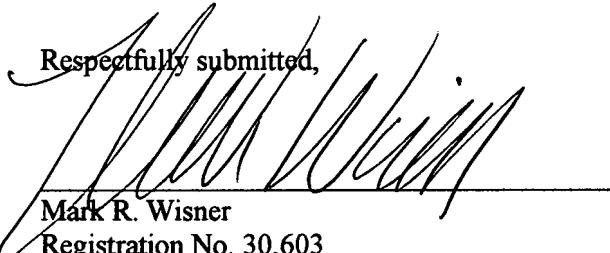
“if examination at the initial stage does not produce a *prima facie* case of unpatentability, then **without more** the applicant is entitled to grant of a patent [emphasis added].”

The fact that three Actions have relied on the same reference and repeated the same rejections clearly indicates that the Office doesn’t have any more evidence and therefore cannot “re-establish” a *prima facie* showing of the unpatentability of Applicant’s claims. Under the clear teaching of *In re Oetiker*, if there isn’t anything more, Applicant is entitled to the grant of a patent. It is therefore respectfully requested that the rejections of the claims be reconsidered and withdrawn.

Entry of the above amendments to the claims, consideration of the remarks set out herein, allowance of the claims, and passage of the application to issuance are all respectfully requested. In the unforeseen event that there are questions and/or issues yet to be answered in this

application, it is respectfully requested that Applicant's Attorney be contacted at the address and phone number set out below.

Respectfully submitted,


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